

June 10, 2024

To the Executive Council
Florida Clerks of Court Operations Corporation

We have audited the financial statements of Florida Clerks of Court Operations Corporation (CCOC) (a component unit of the State of Florida) for the year ended September 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, Chapter 10.550, Rules of the Auditor General and the Florida Single Audit Act, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 30, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by CCOC are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2023. We noted no transactions entered into by CCOC during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting CCOC's financial statements were:

1. Compensated absences are an estimate of costs and the resulting liability for leave benefits provided to employees of CCOC.
2. The pension liability and related deferred inflows and outflows are derived from the CCOC's proportionate share as reflected in the audited Schedules of Employer Allocations and Pension Amounts by Employer for the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program.

We evaluated the key factors and assumptions used to develop the above-mentioned estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements is as follows:

1. Note 1 discloses CCOC receives all of its support and revenue to fund operations from a contract with the State of Florida's Chief Financial Officer that is renewed and/or renegotiated annually.
2. Note 7 discloses the cyber fraud which occurred during the year.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Adjustments detected as a result of audit procedures and corrected by management are included on Attachment A.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 10, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to CCOC's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as CCOC's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Because an audit does not include an examination of every transaction, although no material weaknesses were noted during our performance of the audit, we would like to emphasize the following with regard to internal controls. CCOC is a small organization, and that dictates that the Executive Council remains involved in the financial affairs of CCOC to provide oversight and independent review functions.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, budgetary schedule and pension liability and contributions schedules which are required supplemental information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of state financial assistance, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with Chapter 10.550, Rules of the Auditor General and the Florida Single Audit Act, the method of preparing the supplementary information has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Executive Council and CCOC management and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Law, Redd, Crona & Munroe P.A.

LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida

Florida Clerks of Court Operations Corporation
Year End: September 30, 2023
Adjusting Journal Entries
Date: 10/1/2022 To 9/30/2023

ATTACHMENT A

Number	Date	Type	Name	Account No	Debit	Credit
1	9/30/2023	N	FL CCOC	101		\$ (77,809)
1	9/30/2023	N	FL CCOC	101		\$ (16,640)
1	9/30/2023	N	Accounts Payable	300	\$ 62,563	
1	9/30/2023	N	Accounts Payable	300	\$ 16,640	
1	9/30/2023	N	Payroll Liabilities	310	\$ 15,246	
<p>Adjust for 2022 audit entries posted incorrectly and not "cleared" from bank statement.</p>						
2	9/30/2023	N	GASB 68 Dfd Outflows/Resources	203	\$ 79,257	
2	9/30/2023	N	GASB 68 Pension Liability	305		\$ (298,051)
2	9/30/2023	N	GASB 68 Dfd Inflows/Resources	306	\$ 21,306	
2	9/30/2023	N	GASB 68 Pension Expense	640	\$ 197,488	
<p>Adjust pension related balances to GASB 68 report at 9/30/23.</p>						
3	9/30/2023	N	Receivable - Fraud Related	115		\$ (303,412)
3	9/30/2023	N	Theft	900	\$ 303,412	
<p>Reverse AR for theft.</p>						
4	9/30/2023	N	Contractor:Special Contract	603		\$ (1,195,000)
4	9/30/2023	N	Guardianship Database	201.1	\$ 1,195,000	
<p>Capitalize costs associated with the Guardianship Database Project.</p>						
6	9/30/2023	N	Payroll Liabilities	310		
6	9/30/2023	N	Payroll Liabilities:FSA EE Cont	316	\$ 6,089	
6	9/30/2023	N	Ask my Accountant	637		\$ (6,089)
<p>Adjust FSA liability to actual as of 9/30/23.</p>						
7	9/30/2023	N	FL CCOC	101	\$ 70,000	
7	9/30/2023	N	Contractor:Special Contract	603		\$ (70,000)
<p>Reverse EFT payment initiated 10/10/23 and subsequently canceled and refunded on 10/16/23.</p>						
8	9/30/2023	N	Accumulated Depreciation	202		\$ (6,187)
8	9/30/2023	N	Depreciation Expense	650	\$ 6,187	

Florida Clerks of Court Operations Corporation
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ATTACHMENT A

Number	Date	Type	Name	Account No	Debit	Credit
Record depreciation expense for the year.						
9	9/30/2023	N	Accrued Leave Liability	307		\$ (24,991)
9	9/30/2023	N	Payroll Expenses	631	\$ 24,991	
Adjust compensated absences liability to 9/30/2023 estimate.						
10	9/30/2023	N	A/R - Guardianship Database	116	\$ 837,873	
10	9/30/2023	N	Grant income - Guardianship Database	503		\$ (837,873)
Record AR at 9/30/2023 related to the Guardianship Database.						
11	9/30/2023	N	Appropriation	500	\$ 700,000	
11	9/30/2023	N	Grant income - Guardianship Database	503		\$ (700,000)
Reclass to separate account Guardianship Database income.						
					\$ 3,536,052	\$ (3,536,052)
Net Income (Loss)				885,252.00		